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## Proposed Local Reorganization Counsel for Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

10 || In re:

Chapter 11

11 || NORTHERN NV ACQUISITIONS, LLC

Case No. BK-09-\_\_\_\_\_;  
Jointly Administered

- Affects this Debtor
  - Affects all Debtors
  - Affects Reno Land Holdings, LLC
  - Affects River Central, LLC
  - Affects Tropicana Station, LLC
  - Affects FCP Holding, Inc.
  - Affects FCP Voteco, LLC
  - Affects Fertitta Partners LLC
  - Affects Station Casinos, Inc.
  - Affects FCP MezzCo Parent, LLC
  - Affects FCP MezzCo Parent Sub, LLC
  - Affects FCP MezzCo Borrower VII, LLC
  - Affects FCP MezzCo Borrower VI, LLC
  - Affects FCP MezzCo Borrower V, LLC
  - Affects FCP MezzCo Borrower IV, LLC
  - Affects FCP MezzCo Borrower III, LLC
  - Affects FCP MezzCo Borrower II, LLC
  - Affects FCP MezzCo Borrower I, LLC
  - Affects FCP PropCo, LLC

**MOTION FOR INTERIM AND FINAL  
ORDERS PURSUANT TO 11 U.S.C.  
§§ 105(a), 363, 507(a) AND 541  
(i) AUTHORIZING PAYMENT OF  
CERTAIN PREPETITION TAXES AND  
REGULATORY FEES, AND  
(ii) DIRECTING FINANCIAL  
INSTITUTIONS TO HONOR AND  
PROCESS CHECKS AND TRANSFERS  
RELATED TO CERTAIN PREPETITION  
TAXES AND REGULATORY FEES**

Hearing Date: July 30, 2009  
Hearing Time: 1:30 p.m.  
Place: 300 Booth Street  
Reno, NV 89509

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

2 Station Casinos, Inc. (“SCI”) and its affiliated debtors and debtors in possession  
3 (collectively, the “Debtors” or “Station”)<sup>1</sup> in the above-captioned chapter 11 cases, hereby  
4 submit this motion (the “Motion”) pursuant to sections 105(a), 363, 507(a) and 541 of title 11 of  
5 the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “Bankruptcy Code”), for  
6 interim and final orders (i) authorizing, but not directing, the payment of certain prepetition taxes  
7 and regulatory fees (the “Taxes and Fees”) as and when they become due in the ordinary course  
8 of the Debtors’ businesses postpetition, and (ii) authorizing and directing the financial  
9 institutions (the “Banks,” as listed on Exhibit A annexed hereto) to honor and process checks  
10 and/or funds transfer requests issued prepetition related to the Taxes and Fees when so directed  
11 by the Debtors, in the Debtors’ sole discretion, and in support thereof respectfully represent as  
12 follows:

## **LEGAL MEMORANDUM**

## I. Background

16        1. The Debtors commenced these chapter 11 cases on July 28, 2009 (the  
17        “Petition Date”). SCI and its non-debtor subsidiaries (collectively, the “Station Group”)  
18        constitute a gaming entertainment enterprise that owns and operates under the “Station” and  
19        “Fiesta” brand names ten major hotels/casinos (two of which are 50% owned) and eight smaller  
20        casinos (three of which are 50% owned) in the Las Vegas metropolitan area. The Station Group  
21        owns ten of the hotels/casinos’ underlying real property in fee and leases the underlying real  
22        property for Texas Station Gambling Hall & Hotel (“Texas Station”), Wild Wild West Gambling  
23        Hall & Hotel (“Wild Wild West”), Barley’s Casino & Brewing Company (“Barley’s”), and The  
24        Greens Gaming and Dining (“The Greens”). Debtor FCP PropCo, LLC (“FCP PropCo”) owns  
25        the underlying real estate for Palace Station Hotel & Casino (“Palace Station”), Sunset Station

<sup>1</sup> The Debtors in these chapter 11 cases are Northern NV Acquisitions, LLC, Reno Land Holdings, LLC, River Central, LLC, Tropicana Station, LLC, FCP Holding, Inc., FCP Voteco, LLC, Fertitta Partners LLC, Station Casinos, Inc., FCP MezzCo Parent, LLC, FCP MezzCo Parent Sub, LLC, FCP MezzCo Borrower VII, LLC, FCP MezzCo Borrower VI, LLC, FCP MezzCo Borrower V, LLC, FCP MezzCo Borrower IV, LLC, FCP MezzCo Borrower III, LLC, FCP MezzCo Borrower II, LLC, FCP MezzCo Borrower I, LLC, and FCP PropCo, LLC.

1 Hotel & Casino (“Sunset Station”) and Red Rock Casino Resort Spa (“Red Rock”). FCP PropCo  
 2 owns a portion of the underlying real property for Boulder Station Hotel & Casino (“Boulder  
 3 Station”) and also leases a portion of Boulder Station’s underlying real property. Station  
 4 California, LLC (“Station California”), a non-debtor subsidiary of SCI, manages a casino for a  
 5 Native American tribe. As of July 17, 2009, the Station Group had approximately 13,174  
 6 employees, and the Debtors had approximately 663 employees. The Station Group’s growth  
 7 strategy includes the master-planned expansions of its existing gaming facilities in Nevada, the  
 8 development of gaming facilities on certain real estate that the Station Group now owns or is  
 9 under contract to acquire in the Las Vegas valley and Reno, Nevada, the evaluation and pursuit  
 10 of additional acquisition or development opportunities in Nevada and other gaming markets, and  
 11 the pursuit of additional management agreements with Native American tribes.

12           2.       The Station Group owns and operates: (i) Palace Station, (ii) Boulder  
 13 Station, (iii) Texas Station, (iv) Sunset Station, (v) Santa Fe Station Hotel & Casino, (vi) Red  
 14 Rock, (vii) Fiesta Rancho Casino Hotel, (viii) Fiesta Henderson Casino Hotel, (ix) Wild Wild  
 15 West, (x) Wildfire Casino, (xi) Wildfire Casino – Boulder Highway, formerly known as Magic  
 16 Star Casino, (xii) Gold Rush Casino, and (xiii) Lake Mead Casino.

17           3.       The Station Group also holds a 50% interest in the non-debtor entities that  
 18 own and operate: (i) Green Valley Ranch Resort Spa Casino (“Green Valley Ranch”),  
 19 (ii) Aliante Station Casino & Hotel (“Aliante Station”), (iii) Barley’s, (iv) The Greens, and  
 20 (v) Wildfire Casino & Lanes, formerly known as Renata’s Casino.

21           4.       Each of the Station Group’s casinos caters primarily to local Las Vegas  
 22 area residents. The Station Group markets the eight “Station” casinos (including Green Valley  
 23 Ranch, Red Rock and Aliante Station) together under the Station Casinos brand and the two  
 24 “Fiesta” casinos under the Fiesta brand, offering convenience and choices to residents  
 25 throughout the Las Vegas valley with its strategically located properties. In addition, Station  
 26 California manages Thunder Valley Casino in Northern California on behalf of the United  
 27 Auburn Indian Community.

28

1           5. As of June 30, 2009 and based on a general ledger book value, the Debtors  
 2 owned assets valued in the aggregate in excess of approximately \$5.7 billion and had debt and  
 3 other liabilities of approximately \$6.5 billion.

4           6. SCI is a privately held company whose shares are held by Debtors Fertitta  
 5 Partners LLC, FCP Holding, Inc. and FCP VoteCo, LLC. FCP MezzCo Parent, LLC, FCP  
 6 MezzCo Parent Sub, LLC, FCP MezzCo Borrower VII, LLC, FCP MezzCo Borrower VI, LLC,  
 7 FCP MezzCo Borrower V, LLC, FCP MezzCo Borrower IV, LLC, FCP MezzCo Borrower III,  
 8 LLC, FCP MezzCo Borrower II, LLC, FCP MezzCo Borrower I, LLC, and FCP PropCo, LLC  
 9 (collectively, the “CMBS Debtors”), as well as Northern NV Acquisitions, LLC, Reno Land  
 10 Holdings, LLC, River Central, LLC and Tropicana Station, LLC, are all either direct or indirect  
 11 wholly owned subsidiaries of SCI. Certain of the CMBS Debtors issued a mortgage loan and  
 12 related mezzanine financings in the aggregate principal amount of \$2.475 billion (the “CMBS  
 13 Loans”). The CMBS Loans are collateralized by substantially all fee and leasehold real property  
 14 comprising Palace Station Hotel & Casino, Boulder Station Hotel & Casino, Sunset Station  
 15 Hotel & Casino, and Red Rock.

16           7. Filed concurrently herewith, and incorporated herein by reference, is the  
 17 Omnibus Declaration of Thomas M. Friel in Support of the Debtors’ Chapter 11 Petitions and  
 18 First Day Motions, which contains more detail on the Debtors’ assets, liabilities, equity  
 19 ownership, business operations, and business plans.

## 20           II. Jurisdiction and Venue

21           8. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C.  
 22 §§ 157 and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.  
 23 This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

## 24           III. Relief Requested

25           9. By this Motion, the Debtors seek an order authorizing, but not directing,  
 26 the Debtors to pay certain prepetition Taxes and Fees (described below) as and when they  
 27 become due in the ordinary course of the Debtors’ businesses. To the extent that a check issued  
 28 or a funds transfer requested prior to the Petition Date for payment of such Taxes and Fees has

1 not cleared the particular Bank as of the Petition Date, the Debtors seek entry of an order  
 2 (a) authorizing and directing the Debtors' Banks to honor such checks and/or funds transfer  
 3 requests, and (b) authorizing the Debtors to issue replacement checks, submit replacement funds  
 4 transfer requests, or provide other means of payment to the appropriate federal, state and local  
 5 governmental taxing and regulatory authorities (collectively, the "Taxing Authorities") to the  
 6 extent necessary to pay all outstanding prepetition Taxes and Fees described in this Motion.

#### 7                  IV.    Prepetition Taxes

8                  10.   In connection with the normal operations of their businesses, the Debtors  
 9 collect and incur various Taxes and Fees, which the Debtors remit to the appropriate Taxing  
 10 Authorities. These Taxes and Fees include:

11                 A.      Sales and Personal Property Taxes. The Debtors collect from customers  
 12 or incur an assortment of state and local sales taxes, gross receipts taxes, use taxes, hotel  
 13 occupancy taxes, liquor taxes, entertainment taxes, and similar taxes (collectively, the "Sales  
 14 Taxes"), as well personal property taxes (the "Personal Property Taxes"). On a periodic basis,  
 15 the Debtors remit the Sales Taxes to the appropriate Taxing Authorities. The Debtors estimate  
 16 that they currently owe approximately \$2,000 in prepetition Sales Taxes. On a monthly basis,  
 17 the Debtors pay Personal Property Taxes to the Clark County Assessor. The Debtors estimate  
 18 that they currently owe approximately \$11,000 in prepetition Personal Property Taxes.

19                 B.      Withholding Taxes. As described in the Debtors' Motion Pursuant to  
 20 11 U.S.C. §§ 105(a), 363(b) and 507(a)(4) and (5) for Order (i) Authorizing Payment of Wages,  
 21 Compensation, and Employee Benefits, and (ii) Authorizing Financial Institutions to Honor and  
 22 Process Checks and Transfers Related to Such Obligations, filed contemporaneously herewith,  
 23 the Debtors employ approximately 656 employees (the "Employees"). The Debtors are required  
 24 to withhold from the Employees' wages various amounts related to federal, state and local taxes.  
 25 These taxes include, but are not limited to, modified business tax, unemployment taxes, and  
 26 similar federal, state, and local taxes that accrue on wages, benefits, and disability and workers'  
 27 compensation paid to the Employees (collectively, the "Withholding Taxes"). The Debtors are  
 28 required to remit such Withholding Taxes to the appropriate Taxing Authorities on a periodic

1 basis. The Debtors estimate that they currently owe approximately \$63,000 of prepetition  
 2 Withholding Taxes.

3           11. As described above, the Debtors are required to remit or pay such Taxes  
 4 and Fees to the appropriate Taxing Authorities on a periodic basis. SCI pays such Taxes and  
 5 Fees with funds drawn by checks or electronic transfers. Prior to the Petition Date, certain  
 6 Taxing Authorities were sent checks or electronic transfers which may not have cleared the  
 7 Banks as of the Petition Date.

8           12. The Debtors seek authority to pay all prepetition Taxes and Fees owed to  
 9 the Taxing Authorities, including all Taxes and Fees subsequently determined upon audit to be  
 10 owed for periods prior to the Petition Date. To the extent any check or electronic transfer has not  
 11 cleared the Banks as of the Petition Date, the Debtors request that the Court authorize and direct  
 12 the Banks, when requested by the Debtors in the Debtors' sole discretion, to receive, process,  
 13 honor, and pay such checks or electronic transfers. To the extent the Taxing Authorities have  
 14 otherwise not received payment for all prepetition Taxes and Fees owed that the Debtors, in their  
 15 sole discretion, determine to pay, the Debtors seek authorization to issue replacement checks, or  
 16 to provide other means of payment to the Taxing Authorities, to the extent necessary to pay such  
 17 outstanding Taxes and Fees owing for the periods prior to the Petition Date.

18

19           **V. Basis for Relief Requested**

20           13. Payment of the Debtors' undisputed prepetition Taxes and Fees is  
 21 appropriate under the circumstances because (i) the Taxes and Fees are entitled to priority status  
 22 under the Bankruptcy Code, (ii) failure to timely pay the Taxes and Fees will expose the estates  
 23 to substantial penalties, part of which may be allowed as priority claims (to the detriment of  
 24 unsecured creditors), (iii) failure to pay the Taxes and Fees when due may subject the Debtors to  
 25 unnecessary audits (which are not subject to the automatic stay), (iv) failure to pay the Taxes and  
 26 Fees may expose the Debtors' officers to unnecessary and disruptive litigation, diverting their  
 27 attention away from the pursuit of a successful reorganization under chapter 11, and (v) the  
 28 collected Taxes and Fees arguably constitute funds collected in trust for the Taxing Authorities.

1 Accordingly, the Debtors submit that payment of prepetition Taxes and Fees is in the best  
 2 interest of the estates as well as other parties in interest.

3           14. This Court has ample authority to grant the relief requested herein. The  
 4 Court may authorize payment of prepetition sales and use taxes based on section 105(a) of the  
 5 Bankruptcy Code. Under the “necessity of payment” doctrine, first enunciated by the Supreme  
 6 Court in Miltenberger v. Logansport, C. & S.W.R. Co., 106 U.S. 286 (1882), a bankruptcy court  
 7 may use its equitable powers under section 105 of the Bankruptcy Code to permit a debtor in  
 8 possession to pay prepetition claims when payment is necessary to allow for the rehabilitation of  
 9 the debtor or effectuate the debtor’s bankruptcy goals. See In re Ionosphere Clubs, Inc., 98 B.R.  
 10 174, 175 (Bankr. S.D.N.Y. 1989) (approving payment of prepetition wages due current  
 11 employees because the court deemed such payments necessary in order to preserve and protect  
 12 the debtor’s business and prospects of a reorganization). The Ninth Circuit Court of Appeals has  
 13 acknowledged the doctrine of necessity, stating in dicta: “[c]ases have permitted unequal  
 14 treatment of pre-petition debts when necessary for rehabilitation.” Burchinal v. Cent. Wash.  
 15 Bank (In re Adams Apple, Inc.), 829 F.2d 1484, 1490 (9th Cir. 1987). Section 105 codifies the  
 16 Bankruptcy Court’s inherent equitable powers. See, e.g., Am. Hardwoods, Inc. v. Deutsche  
 17 Credit Corp. (In re Am. Hardwoods, Inc.), 885 F.2d 621, 625 (9th Cir. 1989) (section 105  
 18 endows the bankruptcy court with general equitable powers, where not inconsistent with more  
 19 specific law). The Debtors submit that the relief requested herein is integral to the continuing  
 20 operation of their businesses and their successful reorganization, and is appropriate and  
 21 consistent with the provisions of the Bankruptcy Code.

22           15. Further, section 363(b)(1) of the Bankruptcy Code supports granting of the  
 23 relief requested herein. Section 363(b)(1) provides that “the trustee, after notice and a hearing,  
 24 may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11  
 25 U.S.C. § 363(b)(1). In order to seek relief under section 363(b)(1), a “debtor must articulate  
 26 some business justification, other than mere appeasement of major creditors, for using [...] ]  
 27 property out of the ordinary course of business [...] .” In re Ionosphere Clubs, Inc., 98 B.R. at  
 28 175; see also In re Adams Apple, Inc., 829 F.2d at 1490 (recognizing that allowance of “unequal

1 treatment of pre-petition debts when necessary for rehabilitation [ . . . ]” is appropriate). As  
 2 detailed below, sound business reasons support the payments of sales and use taxes.

3           A.     Taxes and Fees Are Not Property of the Estate. Under Nevada law, sales  
 4 and use taxes are arguably taxes held in trust for the benefit of the Taxing Authority. NEV.  
 5 REV. STAT. § 372.354 (2008). As such, the Taxes and Fees are most likely not property of the  
 6 Debtors’ estates under section 541 of the Bankruptcy Code. See Begier v. Internal Revenue  
 7 Serv., 496 U.S. 53, 59-60 (1990) (holding certain withholding and excise taxes are property held  
 8 by debtor in trust for another and, as such, do not constitute property of estate); Shank v. Wash.  
 9 State Dep’t of Revenue (In re Shank), 792 F.2d 829, 832 (9th Cir. 1986) (sales taxes required by  
 10 state law to be collected by sellers from their customers are “trust fund” taxes); Kannry &  
 11 Morton, Inc. v. Norcal Elecs., Inc. (In re Kannry & Morton, Inc.), 91 B.R. 93, 94 (Bankr. N.D.  
 12 Cal. 1988) (“While the law is different elsewhere, in this circuit sales taxes are ‘trust fund  
 13 taxes.’”); see also Al Copeland Enters., Inc. v. State of Texas (In re Al Copeland Enters., Inc.),  
 14 991 F.2d 233, 237 (5th Cir. 1993) (“[Debtor] acted merely as a trustee for the State; it never held  
 15 any equitable rights to the State’s sales tax revenues.”); DeChiaro v. N.Y. State Tax Comm’n,  
 16 760 F.2d 432, 433-34 (2d Cir. 1985) (same). Because such Taxes and Fees are not property of  
 17 the Debtors’ estates, these funds are not available for the satisfaction of creditors’ claims.

18           B.     Taxes and Fees are Priority Claims. To the extent any of the Taxes and  
 19 Fees are property of the estate under section 541 of the Bankruptcy Code, most, if not all, of such  
 20 Taxes and Fees are afforded priority status under section 507(a)(8) of the Bankruptcy Code. See  
 21 11 U.S.C. § 507(a)(8). As priority claims, the Taxes and Fees must be paid in full before any  
 22 general unsecured obligations of the Debtors may be satisfied. Therefore, the proposed relief  
 23 will only affect the timing of the payment of the prepetition Taxes and Fees and will not  
 24 prejudice the rights of general unsecured creditors or other parties in interest.

25           C.     Non-Payment of Taxes and Fees Would Expose the Estate to Substantial  
 26 Penalties. The Debtors’ failure to pay all sales and use taxes as and when they become due may  
 27 unnecessarily expose the estates to substantial penalties. See, e.g., NEV. REV. STAT. § 360.417  
 28 (2008). While the Debtors believe that they ultimately would be successful in arguing that such

1 penalties are not entitled to administrative priority and are not otherwise entitled to priority under  
 2 section 507(a)(8)(G), as they are not “in compensation for actual pecuniary loss,” litigation over  
 3 this issue comes at a price and is not without its risks. Moreover, even if successful, unless the  
 4 Debtors were ultimately able to persuade this Court to enter an order subordinating these penalty  
 5 claims to general unsecured claims, the penalty claims would be paid *pari passu* with general  
 6 unsecured claims, thereby unnecessarily diluting the potential recovery to general unsecured  
 7 creditors. Prompt payment of the Taxes and Fees will avoid these unnecessary and potentially  
 8 costly governmental actions.

9                   D.     Failure to Pay the Taxes and Fees May Result in Unnecessary Audits.

10 Further, the Taxing Authorities may cause the Debtors to be audited if the Debtors fail to timely  
 11 pay all due and owing Taxes and Fees. An audit by a governmental unit to determine a tax  
 12 liability is not stayed by the automatic stay. See 11 U.S.C. § 362(b)(9)(A). Nor is the issuance  
 13 of a notice of tax deficiency, a demand for tax returns, or the making of an assessment for any  
 14 tax and issuance of a notice of demand for payment of such an assessment. See 11 U.S.C.  
 15 § 362(b)(9)(B)-(D). Such audits would divert attention and resources away from these cases to  
 16 the detriment of all parties in interest.

17                   E.     Failure to Pay the Taxes and Fees May Cripple the Debtors’

18 Reorganization Efforts. Nevada, like many other states, holds officers and directors of collecting  
 19 entities personally liable for sales and use taxes owed by entities that they control or manage.  
 20 See NEV. REV. STAT. § 360.297 (2008). To the extent that any of the Taxes and Fees remain  
 21 unpaid, the officers and directors of the Debtors could be subject to legal actions during the  
 22 pendency of these chapter 11 cases. Although the Debtors believe that any such litigation would  
 23 lack merit because, absent Court approval, the Debtors’ principals are prohibited by the  
 24 Bankruptcy Code from paying prepetition sales and use taxes, this potential litigation may be  
 25 distracting for the Debtors’ representatives, and the Debtors.

26                 16.    In light of the foregoing, the Debtors believe that the relief requested in  
 27 this Motion is appropriate and is in the best interests of the Debtors, their estates and their  
 28 creditors.

1           17. The Debtors submit that, for the reasons set forth herein, the relief  
2 requested in this Motion is necessary to avoid immediate and irreparable harm and Rule 6003 of  
3 the Federal Rules of Bankruptcy Procedure has been satisfied.

4           18. To successfully implement the foregoing, the Debtors seek a waiver of the  
5 notice requirements under Rule 6004(a) and the ten-day stay under Rule 6004(h) of the Federal  
6 Rules of Bankruptcy Procedure.

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## **VI. Conclusion**

13 | Dated: July 28, 2009

Respectfully submitted,

By:

/S

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Paul S. Aronzon, CA State Bar #88781  
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## Proposed Local Reorganization Counsel For Debtors and Debtors in Possession

**Exhibit A**

<b>Debtor</b>	<b>Name of Bank</b>	<b>Address</b>
Station Casinos, Inc.	Bank of America, N.A.	P.O. Box 798, Wichita, KS 67201
Station Casinos, Inc.	Bank of America, N.A.	Reconcilement Department, GA4-004-04-4, 6000 Feldwood Road, College Park, GA 30349
Station Casinos, Inc.	Banc of America Securities LLC	TransAmerica Building, 600 Montgomery Street, Mail Code: CA5-801-06-51, San Francisco, CA 94111
Fertitta Partners, LLC	Bank of America, N.A.	P.O. Box 798, Wichita, KS 67201
FCP VoteCo, LLC	Bank of America, N.A.	P.O. Box 798, Wichita, KS 67201
FCP Holding, Inc.	Bank of America, N.A.	P.O. Box 798, Wichita, KS 67201

**Exhibit B**

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6 Paul S. Aronzon (CA State Bar No. 88781)  
 7 Thomas R. Kreller (CA State Bar No. 161922)  
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 Debtors and Debtors in Possession

12  
13

### UNITED STATES BANKRUPTCY COURT DISTRICT OF NEVADA

14

In re:

15

NORTHERN NV ACQUISITIONS, LLC

16

- Affects this Debtor
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- Affects Reno Land Holdings, LLC
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- Affects FCP PropCo, LLC

Chapter 11

Case No. BK-09-\_\_\_\_\_  
 Jointly Administered

**INTERIM ORDER, PURSUANT TO 11  
U.S.C. §§ 105(a), 363, 507(a) AND 541**  
**(i) AUTHORIZING PAYMENT OF  
CERTAIN PREPETITION TAXES AND  
REGULATORY FEES, AND**  
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INSTITUTIONS TO HONOR AND  
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RELATED TO CERTAIN PREPETITION  
TAXES AND REGULATORY FEES**

Hearing Date: July 30, 2009  
 Hearing Time: 1:30 p.m.

Upon the motion, dated July 28, 2009 (the “Motion”),<sup>1</sup> of Station Casinos, Inc. and its affiliated debtors and debtors in possession (collectively, the “Debtors” or “Station”)<sup>2</sup> in the above-referenced chapter 11 cases, pursuant to sections 105(a), 363, 507(a) and 541 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “Bankruptcy Code”), for interim and final orders (i) authorizing, but not directing, the payment of certain prepetition taxes and regulatory fees (the “Taxes and Fees”) as and when they become due in the ordinary course of the Debtors’ businesses postpetition, and (ii) authorizing and directing the financial institutions (the “Banks”) to honor and process checks and/or funds transfer requests issued prepetition related to the Taxes and Fees when so directed by the Debtors, in the Debtors’ sole discretion; and upon consideration of the supporting declaration of Thomas M. Friel, sworn to on July 24, 2009; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and the relief requested in the Motion being in the best interests of Station and its estate and creditors; and the Court having reviewed the Motion and having heard the statements in support of the relief requested therein at the hearing before the Court (the “Hearing”); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefore, it is hereby

**ORDERED** that the Motion is granted on an interim basis pending a final hearing thereon (the “Final Hearing”), and entry of a superseding Final Order by this Court; and it is further

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<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

<sup>2</sup> The Debtors in these chapter 11 cases are Northern NV Acquisitions, LLC, Reno Land Holdings, LLC, River Central, LLC, Tropicana Station, LLC, FCP Holding, Inc., FCP Voteco, LLC, Fertitta Partners LLC, Station Casinos, Inc., FCP MezzCo Parent, LLC, FCP MezzCo Parent Sub, LLC, FCP MezzCo Borrower VII, LLC, FCP MezzCo Borrower VI, LLC, FCP MezzCo Borrower V, LLC, FCP MezzCo Borrower IV, LLC, FCP MezzCo Borrower III, LLC, FCP MezzCo Borrower II, LLC, FCP MezzCo Borrower I, LLC, and FCP PropCo, LLC.

1                   **ORDERED** that the Debtors are authorized, in the Debtors' sole discretion, to  
 2 pay all prepetition Taxes and Fees in the ordinary course of their businesses, including all those  
 3 Taxes and Fees subsequently determined upon audit to be owed for periods prior to the Petition  
 4 Date, to the proper Taxing Authorities; and it is further

5                   **ORDERED** that all applicable Banks, as specified in the Motion, shall be, and  
 6 hereby are, authorized, (a) when requested by the Debtors in the Debtors' sole discretion, to  
 7 receive, process, honor, and pay any and all checks or electronic transfers drawn on the Debtors'  
 8 accounts to pay the Taxes and Fees, whether those checks or electronic transfers were presented  
 9 prior to or after the Petition Date, provided that sufficient funds are available in the applicable  
 10 accounts to make the payments, and (b) to rely on the representations of the Debtors as to which  
 11 checks or electronic transfers are permitted to be paid pursuant to this Order. The Banks subject  
 12 to this Order shall have no liability to any party for relying on the directions of the Debtors as  
 13 provided for herein; and it is further

14                  **ORDERED** that no payment sought in the Motion shall be permissible unless  
 15 such payment is (i) made pursuant to an Interim or Final Order, as applicable, and (ii) otherwise  
 16 consistent with the limitations set forth in the Interim Order Pursuant to 11 U.S.C. §§ 105, 361,  
 17 362, 363, 364 and 552 and Fed. R. Bankr. P. Rule 4001(B), (C) and (D) (I) Authorizing the  
 18 Debtors to (A) Use Cash Collateral; (B) Obtain Unsecured, Subordinated Post-Petition  
 19 Financing; (C) Make Loans to Non-Debtor Subsidiaries, (II) Granting Adequate Protection to  
 20 Prepetition Secured Parties, (III) Granting Related Relief, and (IV) Scheduling Final Hearing and  
 21 the Budget (as defined therein); and it is further

22                  **ORDERED** that the Final Hearing is set for \_\_\_\_\_ at \_\_\_\_\_  
 23 (prevailing Pacific Standard Time); and it is further

24                  **ORDERED** that nothing in the Motion or this Order shall be construed as  
 25 impairing the Debtors' rights to contest the validity or amount of any Taxes and Fees that may be  
 26 due to any Taxing Authorities; and it is further

27                  **ORDERED** that, notwithstanding any provision in the Federal Rules of  
 28 Bankruptcy Procedure to the contrary, the Debtors are not subject to any stay in the

1 implementation, enforcement or realization of the relief granted in this Interim Order, and the  
2 Debtors may, in their discretion and without further delay, take any action and perform any act  
3 authorized under this Interim Order; and it is further

4                   **ORDERED** that within \_\_\_\_ days of this Interim Order, the Debtors shall serve  
5 this Interim Order upon the Master Service List pursuant to the Court's Order Establishing  
6 Notice Procedures; and it is further

7                   **ORDERED** that notice of the Motion as provided therein shall be deemed good  
8 and sufficient notice of the Motion and the requirements of Bankruptcy Rule 6004(a) are hereby  
9 waived.

10  
11                   SUBMITTED BY:

12                   Paul S. Aronzon (CA State Bar No. 88781)  
13                   Thomas R. Kreller (CA State Bar No. 161922)  
14                   MILBANK, TWEED, HADLEY & McCLOY LLP  
15                   601 South Figueroa Street, 30th Floor  
16                   Los Angeles, California 90017

17                   Proposed Reorganization Counsel for  
18                   Debtors and Debtors in Possession

19                   Bruce T. Beesley (NV SBN 1164)  
20                   Laury Macauley (NV SBN 11413)  
21                   LEWIS AND ROCA LLP  
22                   50 West Liberty Street, Suite 410  
23                   Reno, Nevada 89501  
[bbeesley@lrlaw.com](mailto:bbeesley@lrlaw.com); [lmacauley@lrlaw.com](mailto:lmacauley@lrlaw.com)

24                   Proposed Local Reorganization Counsel for  
25                   Debtors and Debtors in Possession

26                   # # #  
27  
28

**Exhibit C**

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6 Paul S. Aronzon (CA State Bar No. 88781)  
7 Thomas R. Kreller (CA State Bar No. 161922)  
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Proposed Local Reorganization Counsel for  
Debtors and Debtors in Possession

12  
13 **UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

14 In re:

15 NORTHERN NV ACQUISITIONS, LLC

- 16  Affects this Debtor
- Affects all Debtors
- Affects Reno Land Holdings, LLC
- Affects River Central, LLC
- Affects Tropicana Station, LLC
- Affects FCP Holding, Inc.
- Affects FCP Voteco, LLC
- Affects Fertitta Partners LLC
- Affects Station Casinos, Inc.
- Affects FCP MezzCo Parent, LLC
- Affects FCP MezzCo Parent Sub, LLC
- Affects FCP MezzCo Borrower VII, LLC
- Affects FCP MezzCo Borrower VI, LLC
- Affects FCP MezzCo Borrower V, LLC
- Affects FCP MezzCo Borrower IV, LLC
- Affects FCP MezzCo Borrower III, LLC
- Affects FCP MezzCo Borrower II, LLC
- Affects FCP MezzCo Borrower I, LLC
- Affects FCP PropCo, LLC

Chapter 11

Case No. BK-09-\_\_\_\_\_  
Jointly Administered

**FINAL ORDER, PURSUANT TO 11 U.S.C.  
§§ 105(a), 363, 507(a) AND 541  
(i) AUTHORIZING PAYMENT OF  
CERTAIN PREPETITION TAXES AND  
REGULATORY FEES, AND (ii)  
DIRECTING FINANCIAL  
INSTITUTIONS TO HONOR AND  
PROCESS CHECKS AND TRANSFERS  
RELATED TO CERTAIN PREPETITION  
TAXES AND REGULATORY FEES**

Hearing Date:  
Hearing Time:

Upon the motion, dated July 28, 2009 (the “Motion”),<sup>1</sup> of Station Casinos, Inc. and its affiliated debtors and debtors in possession (collectively, the “Debtors” or “Station”)<sup>2</sup> in the above-referenced chapter 11 cases, pursuant to sections 105(a), 363, 507(a) and 541 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “Bankruptcy Code”), for interim and final orders (i) authorizing, but not directing, the payment of certain prepetition taxes and regulatory fees (the “Taxes and Fees”) as and when they become due in the ordinary course of the Debtors’ businesses postpetition, and (ii) authorizing and directing the financial institutions (the “Banks”) to honor and process checks and/or funds transfer requests issued prepetition related to the Taxes and Fees when so directed by the Debtors, in the Debtors’ sole discretion; and upon consideration of the supporting declaration of Thomas M. Friel, sworn to on July 24, 2009; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and the relief requested in the Motion being in the best interests of Station and its estate and creditors; and the Court having reviewed the Motion and having heard the statements in support of the relief requested therein at the hearing before the Court (the “Hearing”); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefore, it is hereby

**ORDERED** that the Motion is granted in its entirety; and it is further

**ORDERED** that the Debtors are authorized, in the Debtors’ sole discretion, to pay all prepetition Taxes and Fees in the ordinary course of their businesses, including all those

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<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

<sup>2</sup> The Debtors in these chapter 11 cases are Northern NV Acquisitions, LLC, Reno Land Holdings, LLC, River Central, LLC, Tropicana Station, LLC, FCP Holding, Inc., FCP Voteco, LLC, Fertitta Partners LLC, Station Casinos, Inc., FCP MezzCo Parent, LLC, FCP MezzCo Parent Sub, LLC, FCP MezzCo Borrower VII, LLC, FCP MezzCo Borrower VI, LLC, FCP MezzCo Borrower V, LLC, FCP MezzCo Borrower IV, LLC, FCP MezzCo Borrower III, LLC, FCP MezzCo Borrower II, LLC, FCP MezzCo Borrower I, LLC, and FCP PropCo, LLC.

1 Taxes and Fees subsequently determined upon audit to be owed for periods prior to the Petition  
2 Date, to the proper Taxing Authorities; and it is further

3                   **ORDERED** that all applicable Banks, as specified in the Motion, shall be, and  
4 hereby are, authorized, (a) when requested by the Debtors in the Debtors' sole discretion, to  
5 receive, process, honor, and pay any and all checks or electronic transfers drawn on the Debtors'  
6 accounts to pay the Taxes and Fees, whether those checks or electronic transfers were presented  
7 prior to or after the Petition Date, provided that sufficient funds are available in the applicable  
8 accounts to make the payments, and (b) to rely on the representations of the Debtors as to which  
9 checks or electronic transfers are permitted to be paid pursuant to this Order. The Banks subject  
10 to this Order shall have no liability to any party for relying on the directions of the Debtors as  
11 provided for herein; and it is further

12                   **ORDERED** that nothing in the Motion or this Order shall be construed as  
13 impairing the Debtors' rights to contest the validity or amount of any Taxes and Fees that may be  
14 due to any Taxing Authorities; and it is further

15                   **ORDERED** that no payment sought in the Motion shall be permissible unless  
16 such payment is (i) made pursuant to an Interim or Final Order, as applicable, and (ii) otherwise  
17 consistent with the limitations set forth in the Interim Order Pursuant to 11 U.S.C. §§ 105, 361,  
18 362, 363, 364 and 552 and Fed. R. Bankr. P. Rule 4001(B), (C) and (D) (I) Authorizing the  
19 Debtors to (A) Use Cash Collateral; (B) Obtain Unsecured, Subordinated Post-Petition  
20 Financing; (C) Make Loans to Non-Debtor Subsidiaries, (II) Granting Adequate Protection to  
21 Prepetition Secured Parties, (III) Granting Related Relief, and (IV) Scheduling Final Hearing and  
22 the Budget (as defined therein); and it is further

23                   **ORDERED** that all objections to the relief requested in the Motion have been  
24 overruled; and it is further

25                   **ORDERED** that, notwithstanding any applicability of, among others, Rule  
26 6004(h) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the terms and  
27 conditions of this Order shall be immediately effective and enforceable upon its entry; and it is  
28 further

1                   **ORDERED** that notice of the Motion as provided therein shall be deemed good  
2 and sufficient notice of the Motion and the requirements of Bankruptcy Rule 6004(a) are hereby  
3 waived.

4

5 SUBMITTED BY:

6 Paul S. Aronzon (CA State Bar No. 88781)  
7 Thomas R. Kreller (CA State Bar No. 161922)  
8 MILBANK, TWEED, HADLEY & McCLOY LLP  
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15 Proposed Local Reorganization Counsel for  
Debtors and Debtors in Possession

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